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FM AMEMBASSY KATHMANDU
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1140
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 4216
RUEHLM/AMEMBASSY COLOMBO PRIORITY 4480
RUEHKA/AMEMBASSY DHAKA PRIORITY 9574
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2470
RUEHLO/AMEMBASSY LONDON PRIORITY 3869
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9581
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY

C O N F I D E N T I A L KATHMANDU 000990

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DEPT FOR SCA/INS

E.O. 12958: DECL: 04/17/2016

TAGS: [PGOV](#) [ECON](#) [EFIN](#) [NP](#)

SUBJECT: BANKING SECTOR PROVIDING LIMITED SERVICES, CASHING
CHECKS

REF: KATHMANDU 957

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

LIMITED BANKING SERVICES CONTINUE TO OPERATE; PRIVATE BANKS
TO STAY OPEN

11. (C) A possible paycheck crisis (reftel) has yet to materialize in Kathmandu as officials from one state-owned bank and two private banks told Emboff that they had been cashing checks and providing limited banking services throughout the now twelve-day strike. Bursa Shrestha of Nabil Bank (private bank) explained to Emboff that Nabil Bank had remained open "through the back door," had been cashing paychecks, and was handling withdrawals for its customers. Emboff reported that local Embassy staff had received their most recent paychecks electronically as usual from Nabil Bank. Navraj Giri, Operations Manager for Himalayan Bank Limited (private bank), said that Himalayan Bank had been opening to conduct cash transactions at 8:00 am and remaining open for several hours each day, but never beyond 1:00 pm. He added that Himalayan Bank customers were "not panicking" and seemed to be "taking things normally." Raju Nepal of the state-owned Nepal Bank Limited told Emboff that its customers were able to cash their paychecks. Raju Nepal acknowledged that banking outside of Kathmandu was more "troublesome," but apparently still possible in most areas. He also explained that an April 17 Nepal Bankers Association Meeting decided that all banks, state and private, would continue to remain open. Both Shrestha and Giri said their banks would comply with the decision of the Nepal Bankers Association and remain open.

COMMENT

12. (C) The decision by the Nepal Bankers Association would appear to settle the many conflicting news reports and rumors of mass private bank closures. While the banks have been offering limited services during limited hours in Kathmandu, the fact that people have been able to withdraw funds and cash their paychecks could avert a larger cash-flow crisis. However, if the banks cannot address the problem in the countryside, another source of pressure could be added to the

fire.
MORIARTY